December 11, 1985

Honorable Phillip Isenberg Assemblyman California Legislature State Capitol, Room 2175 Sacramento, CA 95814

> Re: Your Request for Advice Our File No. A-85-254

Dear Assemblyman Isenberg:

You have written requesting our advice relative to the following set of facts and questions.

### FACTS AND QUESTIONS

I am a member of the Wildlife Conservation Board. During the past month, newspaper articles have pointed out that the pending purchase of the Ocean Ranch by the WCB involves an ownership interest by a state official, George Gomes, chief deputy director of the Department of Agriculture.

From all I know, the purchase is a legitimate state function and a valuable addition to the state's ownership of sensitive coastal land.

However, given the circumstances involved, I would appreciate the Fair Political Practices Commission considering whether there would be any impropriety in the WCB purchasing the property for an impartially determined price.

In addition, I would appreciate the FPPC's consideration of whether it is appropriate for a high-level state employee to engage in the sale of property to state agencies.

Honorable Phillip Isenberg December 11, 1985 Page 2

### RESPONSE

The issues which you have raised in your letter are not addressed by the provisions of the Political Reform Act. Government Code Sections 81000-91015. The Act addresses conflicts of interest arising because an official participates in governmental decisions affecting private financial interests. We are not in a position to comment on the possible applicability of other state laws regarding state contracts (Public Contract Code Section 10410; Government Code Section 1090) or other types of conflicts of interest (Government Code Section 8920(a)). We are enclosing a copy of an Attorney General's Opinion (53 Ops. Cal. Atty. Gen. 163 (1970)) and an Attorney General's advice letter on somewhat similar questions. From newspaper accounts it is our understanding that the WCB has contacted the Attorney General for further clarification on these questions.

The various newspaper accounts raise other issues relating to the lobbyist provisions of the Act. Should either Mr. Soares or Mr. Gomes wish to seek advice from the Commission regarding their respective duties or responsibilities under the Act, they are welcome to do so under the provisions of Government Code Section 83114(a) or (b). We, of course, do not provide advice regarding past actions but do provide advice with respect to future conduct.

Sincerely,

Robert E. Leidigh

Counsel

Legal Division

REL:plh Enclosure

cc: George Gomes

California Legislature

DEC 9 10 18 AM '85

PHILLIP ISENBERG
ASSEMBLYMAN

☐ STATE CAPITOL, SACRAMENTO 95814 (916) 445-1611

December 6, 1985

Mr. John Keplinger, Executive Director Fair Political Practices Commission 1100 K Street Sacramento, CA 95814

Dear Mr. Keplinger:

I am a member of the Wildlife Conservation Board. During the past month, newspaper articles have pointed out that the pending purchase of the Ocean Ranch by the WCB involves an ownership interest by a state official, George Gomes, chief deputy director of the Department of Agriculture.

From all I know, the purchase is a legitimate state function and a valuable addition to the state's ownership of sensitive coastal land.

However, given the circumstances involved, I would appreciate the Fair Political Practices Commission considering whether there would be any impropriety in the WCB purchasing the property for an impartially determined price.

In addition, I would appreciate the FPPC's consideration of whether it is appropriate for a high-level state employee to engage in the sale of property to state agencies.

Sincerely

PLI/hh

DISTRICT OFFICE 1215 15TH ST., STE 102 SACRAMENTO, 95814 (916) 324-4676 DISTRICT OFFICE 4 N. HUTCHINS ST. LODI, 95240 (209) 334-4945 DISTRICT OFFICE 625 W. FOURTH ST., ROOM 5 ANTIOCH, 94509 (415) 778-4510 Sacramento Union November 26, 1985

### State considers buying land owned by official

By ED MENDEL
SACRAMENTO UNION CAPITOL BUREAU

The state Wildlife Conservation Board is scheduled to decide today whether to buy a 933-acre parcel of land near Eureka purchased earlier this year by a group that includes a state official and a lobbyist.

George J. Gomes, Department of Food and Agriculture chief deputy director, and lobbyist George H. Soares, who represents a number of agricultural clients, purchased the property along with several other people last May for \$2 million.

An appraisal submitted to the state by the new owners in July put the value of the property at \$3,265,000. But the Department of General

Services obtained an appraisal at \$2,241,000.

That would still give the new owners, who obtained an option to buy the land in July 1983, a profit of \$241,000.

Neither Gomes nor Soares could be reached for comment Monday.

Fish and Director Jack Parnell, one of the three members of the board, said he will not vote on the purchase because he served as a Food and Agriculture deputy along with Gomes before being appointed to his present post in April 1984.

"I did not want to stand in the way or be a part of the decision because of the obvious," said Par-

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nell.

Another member of the board, William A. Burke, husband of University of California Regent Yvonne Braithwaite Burke, said there has been no unusual lobbying for the purchase.

"Outside of staff, you are the first person who has talked to me about it," Burke told a reporter.

The third member of the board is Finance Director Jesse R. Huff.

W. John Schmidt, executive officer of the Wildlife Conservation Board, said Ocean Ranch was included in a list of acquisition proposals submitted to the board March 26, 1984, by then-Fish and Game Director H. Don Carper in support of two bond issues on the June ballot that year.

Schmidt said Parnell has not been involved in any aspect of the Ocean Ranch acquisition for more than a year.

"As soon as he knew about the involvement of George Gomes, he took himself completely out of the picture," said Schmidt.

He said the state Coastal Conservancy attempted to buy Ocean

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"It's my und did not buy it selling it to the of the Gomes "They bought it doing some exc

The Ocean R by the descent purchased the turn of the recent sale, the from a Washir partnership.

A state office owners could option to the group any time May.

According to the proposed p the Gomes and \$200,000 down p owners. Sacramento Union November 27, 1985

## State land purchase decision postponed

By ED MENDEL
SACRAMENTO UNION CAPITOL BUREAU

The State Wildlife Conservation Board postponed a decision Tuesday on the purchase of a 933-acre parcel of land near Eureka bought earlier this year by a group that includes a state agriculture official and a lobbyist.

Appraisers hired by the owners and the board are \$1 million apart, and there is no agreement on a new jointly funded appraisal that would split the difference.

A board staff report said the Ocean Ranch, located immediately north of the Eel River mouth, has one of only four known populations of the endangered western lily. All are on private land.

With a down payment of \$200,000, the parcel was purchased last May for \$2 million by a group that includes George J. Gomes, Department of Food and Agriculture chief deputy director, and lobbyist George H. Soares, who represents a number of agricultural clients.

Gomes said Tuesday he will seek an attorney's opinion about whether he should remove himself from issues before the department that are being lobbied by Soares.

"I have been a public servant for a long time and have been able to maintain an integrity for work first," Gomes said. "I don't see any problem with disagreeing or agreeing and being able to handle your "private life separately."

Gomes and Soares said they and two of the other partners, Brian L. Davie and Thomas C. Grundiman, were classmates at Cal Poly San Luis Obispo and have remained in touch since.

The four jointly purchased a halfacre parcel near Pollock Pines where they intended to build a cabin.

Also listed as partners are two members of Soares' law firm, Jan L. Kahn and Richard C. Conway.

The partnership obtained an option to purchase the property in July 1983. In 1982, the state Coastal Conservancy had tried to purchase the property but lacked funds.

Gomes said Grundiman, who grew

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up in the Eureka area, was able to locate all of the previous owners, more than a dozen descendants of people who purchased the property around the turn of the century.

"It was Grundiman that invited us to participate, so it wasn't a decision that I had to go in with or without Soares," said Gomes.

Fish and Game Director Jack Parnell, one of three members of the Wildlife Conservation Board, has said he will not vote on the purchase because he served as a Food and Agriculture deputy with Gomes before his current appointment.

"Grundiman and Soares pretty much handled the contacts with the board," said Gomes. He said he was only involved in the recent selection of a third appraiser.

The owners obtained an appraisal valuing the property at \$3,265,000. The board hired an appraiser who put it at \$2,241,000.

A new appraisal funded jointly by the owners and the board is \$2,663,000.

But the Department of General Services, whose approval is required, has not agreed to the new appraisal.

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